



Registration of a Charge

Company Name: **BARSTONE HOLDINGS LIMITED**

Company Number: **13928442**



XBE10YBU

Received for filing in Electronic Format on the: **06/10/2022**

Details of Charge

Date of creation: **04/10/2022**

Charge code: **1392 8442 0002**

Persons entitled: **CORTLAND CREDIT LENDING CORPORATION AS SECURITY TRUSTEE**

Brief description: **NONE**

Contains fixed charge(s).

Contains floating charge(s) (floating charge covers all the property or undertaking of the company).

Contains negative pledge.

Authentication of Form

This form was authorised by: **a person with an interest in the registration of the charge.**

Authentication of Instrument

Certification statement: **WE CERTIFY THAT, SAVE FOR MATERIAL REDACTED PURSUANT TO S.859G OF THE COMPANIES ACT 2006, THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION IS A CORRECT COPY OF THE CHARGING INSTRUMENT.**

Certified by: **DENTONS UK AND MIDDLE EAST LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 13928442

Charge code: 1392 8442 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 4th October 2022 and created by BARSTONE HOLDINGS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 6th October 2022 .

Given at Companies House, Cardiff on 10th October 2022

The above information was communicated by electronic means and authenticated
by the Registrar of Companies under section 1115 of the Companies Act 2006



Companies House



**THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES**



EXECUTION VERSION

Debenture

Dated 4 October **2022**

Barstone Holdings Limited
(the Chargor)

Cortland Credit Lending Corporation
(the Security Trustee)

Dentons UK AND MIDDLE EAST LLP
One Fleet Place
London EC4M 7WS
United Kingdom
DX 242

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Debenture

Dated 4 October 2022

Between

- (1) **Barstone Holdings Limited**, a private limited company incorporated under the laws of England and Wales with registered number 13928442 having its registered office at Unit 7, The Pavilions Ruscombe Business Park, Ruscombe, Reading, RG10 9NN, England (the **Chargor**); and
- (2) **Cortland Credit Lending Corporation** as trustee for the Secured Parties (the **Security Trustee**).

Recitals

- A The Finance Parties agreed to make credit facilities available on the terms of the Credit Agreement.
- B The parties have agreed to amend and restate the Credit Agreement on the terms of the Amended and Restated Credit Agreement.
- C The Chargor has agreed to provide Security to the Security Trustee (as trustee for the Secured Parties) to secure the payment and discharge of the Secured Liabilities.

This deed witnesses

1 Definitions and interpretation

1.1 Definitions

Words and expressions defined in the Credit Agreement shall have the same meanings in this Debenture unless they are expressly defined in it and, in addition, in this Debenture:

Account means a Current Account or a Controlled Account.

Account Bank means, in respect of each Account, the bank or other financial institution at which that Account is held.

Accounts Receivable means all debts, accounts claims, demands, monies and choses in action which are now or which may at any time hereafter be due, owing to or accruing due to or owned by the Chargor, together with all books, records, documents, papers and electronically recorded data and any other documents or information of any kind which in any way evidences or relates to any or all of the said debts, accounts, claims, demands, monies and choses in action, and **Account Receivable** means any one of them.

Act means the Law of Property Act 1925.

Amended and Restated Credit Agreement means the Credit Agreement as amended and restated pursuant to the amended and restated credit agreement dated on or about the date of this Debenture between, among others, the Chargor and the Agent.

Assigned Agreements means any contract, deed or agreement designated as an Assigned Agreement by the Chargor and the Security Trustee from time to time.

Authorisation means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

Controlled Account means any account which the Chargor holds with any bank or financial institution from time to time, and which is designated as a Controlled Account by the Chargor and the Security Trustee.

Controlled Debt means any debt or moneys due or owing to the Chargor, the proceeds of which, once received by the Chargor, are or will be Controlled Proceeds.

Controlled Proceeds means any proceeds or other moneys received by the Chargor from time to time which, under the terms of the Finance Documents, the Chargor must either:

- (a) apply in repayment or prepayment of the Secured Liabilities; or
- (b) pay into a Controlled Account.

Current Account means:

- (a) each account of the Chargor set out in Schedule 6 (*Current Accounts*); and
- (b) any account which the Chargor holds with any bank or financial institution from time to time, other than a Controlled Account.

Credit Agreement means the credit agreement dated 1 July 2022 between, among others, the Chargor and the Agent.

Delegate means any delegate, agent, attorney or co-trustee appointed by the Agent.

Distribution Rights means all dividends, interest and other distributions paid or payable on or in respect of any Investments or Shares and any right to receive them.

Equipment means all of the Chargor's fixed and moveable plant, machinery, tools, vehicles, computers and office and other equipment and the benefit of all related Authorisations, agreements and warranties.

Excluded Property means the leasehold property owned by the Chargor known as Unit 7, The Pavilions Ruscombe Business Park, Ruscombe, Reading, RG10 9NN, England.

Finance Party means the Agent, the Security Trustee or a Lender.

First Priority Security means the first priority security created by the First Ranking Debenture.

First Ranking Debenture means the first ranking debenture dated 1 July 2022 between the Chargor and the Security Trustee.

Insurance means each contract or policy of insurance to which the Chargor is a party or in which it has an interest.

Intellectual Property means:

- (a) any patents, trade marks, service marks, designs, business names, copyrights, database rights, design rights, domain names, moral rights, inventions, confidential information, knowhow and other intellectual property rights and interests (which may now or in the future subsist), whether registered or unregistered; and
- (b) the benefit of all applications and rights to use such assets of each Group Company (which may now or in the future subsist).

Investments means:

- (a) all or any stocks, shares (other than any Shares), bonds and securities of any kind (marketable or otherwise), negotiable instruments and warrants and any other financial instruments (as defined in the Regulations); and
- (b) all allotments, accretions, offers, options, rights, bonuses, benefits and advantages, whether by way of conversion, redemption, preference, option or otherwise which at any time accrue to or are offered or arise in respect of them,

and includes all dividends, interest and other distributions paid or payable on or in respect of them.

Land has the same meaning as it has in section 205(1) of the Act.

Receiver means a receiver appointed pursuant to this Debenture or to any applicable law, whether alone or jointly, and includes a receiver and/or manager and, if the Security Trustee is permitted by law to appoint an administrative receiver, includes an administrative receiver.

Regulations means the Financial Collateral Arrangements (No 2) Regulations 2003 (S.I. 2003/3226) or equivalent legislation in any applicable jurisdiction bringing into effect Directive 2002/47/EC on financial collateral arrangements, and **Regulation** means any of them.

Secured Liabilities means the liabilities of the Obligors to the Secured Parties under or pursuant to the Credit Documents.

Secured Party means each Finance Party from time to time party to the Credit Agreement and any Receiver and Delegate.

Security means a mortgage, charge, pledge, lien, assignment by way of security, retention of title provision, trust or flawed asset arrangement (for the purpose of, or which has the effect of, granting security) or other security interest securing any obligation of any person or any other agreement or arrangement in any jurisdiction having a similar effect.

Security Assets means all of the assets of the Chargor which are the subject of any Security created or to be created by this Debenture.

Security Period means the period starting on the date of this Debenture and ending on the date on which the Security Trustee is satisfied that:

- (a) all of the Secured Liabilities are irrevocably discharged in full; and
- (b) no Secured Party has any commitment or liability to provide financial accommodation to any Obligor pursuant to the Credit Documents.

Security Trust Deed means the security trust deed dated 1 July 2022 between, among others, the Chargor and the Security Trustee as supplemented by an accession deed dated on or about the date of this Debenture.

Shares means:

- (a) all shares specified in Schedule 2 (*Shares*); and
- (b) any other shares owned legally or beneficially by the Chargor in its Subsidiaries from time to time.

1.2 Construction

- 1.2.1 The principles of construction set out in clause 1.2 (*Interpretation*) and clause 1.3 (*Construction*) of the Credit Agreement shall apply to this Debenture, insofar as they are relevant to it and subject to any necessary changes, as they apply to the Credit Agreement.
- 1.2.2 Unless a contrary intention appears, any reference in this Debenture to:
 - (a) this **Debenture** is a reference to this Debenture as amended, varied, novated, supplemented and replaced from time to time;
 - (b) the **Chargor**, the **Security Trustee** or any other **Secured Party** includes any one or more of its assigns, transferees and successors in title (in each case, so far as any such is permitted); and
 - (c) the **Security Trustee** or any other **Secured Party** (except for the references in Clause 17 (*Power of attorney*)), includes its duly appointed nominees, attorneys, correspondents, trustees, advisers, agents, delegates and sub-delegates.
- 1.2.3 A Default (other than an Event of Default) is **continuing** if it has not been remedied or waived in writing, and an Event of Default is **continuing** if it has not been waived in writing.

1.3 Third party rights

- 1.3.1 Unless expressly provided to the contrary in this Debenture, a person who is not a party to this Debenture has no right under the Contracts (Rights of Third Parties) Act 1999 (the **Third Parties Act**) to enforce or to enjoy the benefit of any term of this Debenture.
- 1.3.2 The parties to this Debenture may rescind, vary, waive, release, assign, novate or otherwise dispose of all or any of their respective rights or obligations under this Debenture without the consent of any person that is not a party (without prejudice to the terms of the other Credit Documents).
- 1.3.3 Any Secured Party or any person described in Clauses 12 (*Protection of purchasers*) or Clause 13 (*Protection of the Secured Parties*) may, subject to this Clause 1.3 (*Third party rights*) and the Third Parties Act, rely on any Clause of this Debenture which expressly confers rights on it.

1.4 Effect as a deed

This Debenture shall take effect as a deed even if it is signed under hand on behalf of the Security Trustee.

1.5 Law of Property (Miscellaneous Provisions) Act 1989

The terms of the other Credit Documents and of any side letters between any parties in relation to any Credit Document are incorporated in this Debenture to the extent required to ensure that any purported disposition of an interest in Land contained in this Debenture is a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

1.6 First priority security

- 1.6.1 It is acknowledged that the Chargor previously entered into the First Priority Security pursuant to which the Chargor granted to the Security Trustee a first ranking mortgage and assignment over the Secured Liabilities. The Chargor's obligations under this Debenture and the security created hereunder is subject to the security created under the First Priority Security.
- 1.6.2 Without prejudice to the rights of the Security Trustee which have arisen on or before the date of the Amended and Restated Credit Agreement, the Chargor confirms that on and after the date of the Amended and Restated Credit Agreement, the First Ranking Debenture will:
- (a) remain in full force and effect; and
 - (b) continue to secure all liabilities which are expressed to be secured by it.

2 Covenant to pay

The Chargor covenants with the Security Trustee and the other Secured Parties that it will on demand pay and discharge the Secured Liabilities when due.

3 Creation of Security

3.1 Land

- 3.1.1 The Chargor charges:
- (a) by way of legal mortgage its interest in the Land referred to in Schedule 1 (*Land charged by way of legal mortgage*); and
 - (b) by way of fixed charge any right, title or interest which it has now or may subsequently acquire to or in any other Land.
- 3.1.2 Notwithstanding anything to the contrary contained in this Debenture, the Excluded Property shall be excluded from the Security charged and / or assigned by this Debenture.

3.2 Shares

The Chargor mortgages or (if or to the extent that this Debenture does not take effect as a mortgage) charges by way of fixed charge:

- (a) all its Shares; and
 - (b) all related Distribution Rights,
- including those held for it by any nominee.

3.3 Investments

The Chargor mortgages or (if and to the extent that this Debenture does not take effect as a mortgage) charges by way of fixed charge:

- (a) all its Investments; and
 - (b) all related Distribution Rights,
- including those held for it by any nominee.

3.4 Equipment

The Chargor charges by way of fixed charge all its Equipment.

3.5 Controlled Debts

The Chargor charges by way of fixed charge:

- (a) its Controlled Debts; and
- (b) all benefits, rights and Security held in respect of, or to secure the payment of, the Controlled Debts.

3.6 Controlled Accounts

- 3.6.1 The Chargor charges by way of fixed charge all amounts standing to the credit of each Controlled Account held with the Security Trustee and all of its right, title and interest in and relating to each such Controlled Account.
- 3.6.2 The Chargor assigns absolutely all amounts standing to the credit of each Controlled Account held with a person other than the Security Trustee and all of its right, title and interest in and relating to each Controlled Account.

3.7 Intellectual Property

The Chargor charges by way of fixed charge all its Intellectual Property.

3.8 Goodwill

The Chargor charges by way of fixed charge its goodwill.

3.9 Uncalled capital

The Chargor charges by way of fixed charge its uncalled capital.

3.10 Authorisations

The Chargor charges by way of fixed charge the benefit of all Authorisations it holds in relation to any Security Asset.

3.11 Assigned Agreements

- 3.11.1 The Chargor assigns absolutely all its rights and interests under the Assigned Agreements to which it is party.

- 3.11.2 Until the Security created by this Debenture becomes enforceable, but subject to Clause 7.5 (*Assigned Agreements and Insurances*), the Chargor may continue to deal with the counterparties to the relevant Assigned Agreements.

3.12 Insurances

- 3.12.1 The Chargor assigns absolutely all its rights and interests under all contracts and policies of insurance.
- 3.12.2 Until the Security created by this Debenture becomes enforceable, but subject to Clause 7.5 (*Assigned Agreements and Insurances*), the Chargor may continue to deal with the counterparties to the Insurances.

3.13 Accounts Receivable

- 3.13.1 The Chargor assigns absolutely all its rights and interests under the Accounts Receivable to which it is a party.
- 3.13.2 Until the Security created by this Debenture becomes enforceable, but subject to Clause 7.6 (*Accounts Receivable*), the Chargor may continue to deal with the counterparties to the Accounts Receivable.

3.14 Contractual rights

The Chargor charges by way of fixed charge all its rights under all deeds and agreements to which it is a party, and which are not mortgaged, charged by way of fixed charge or assigned under any of Clauses 3.1 (*Land*) to 3.13 (*Accounts Receivable*) (inclusive).

3.15 Other assets

- 3.15.1 The Chargor charges by way of floating charge all its present and future business, undertaking and assets (other than the Excluded Property) which are not effectively mortgaged, charged by way of fixed charge or assigned under this Clause 3.
- 3.15.2 Paragraph 14 of Schedule B1 to the Insolvency Act 1986 shall apply to any floating charge created by this Debenture.

3.16 Trust

- 3.16.1 If or to the extent that for any reason the assignment or charging of any Security Asset is ineffective because of a prohibition on that assignment or charging, the Chargor holds it on trust for the Security Trustee.

4 Nature of Security created

The Security created under this Debenture is created:

- (a) as second priority Security;
- (b) as a continuing security to secure the payment and discharge of the Secured Liabilities;
- (c) (except in the case of assets which are the subject of a legal mortgage under this Debenture) over all present and future assets of the kind described which are owned

by the Chargor and, to the extent that it does not own those assets, shall extend to any right or interest which it may have in them;

- (d) in favour of the Security Trustee as trustee for the Secured Parties; and
- (e) with full title guarantee.

5 Conversion of floating charge

5.1 Conversion on notice

Subject to Clause 5.2 (*Limitation*), the Security Trustee may by notice to the Chargor at any time during the Security Period convert the floating charge created by the Chargor under this Debenture into a fixed charge in respect of any Security Asset specified in that notice if:

- (a) the Security created by this Debenture has become enforceable; or
- (b) the Security Trustee considers that Security Asset to be in danger of being seized, attached, charged, taken possession of or sold under any form of distress, sequestration, execution or other process or otherwise to be in jeopardy.

5.2 Limitation

5.2.1 Subject to Clause 5.2.2 below, Clause 5.1 (*Conversion on notice*) shall not apply solely by reason of:

- (a) the obtaining of a moratorium, or
- (b) anything done with a view to obtaining a moratorium,

under Part A1 of the Insolvency Act 1986.

5.2.2 Clause 5.2.1 above does not apply in respect of any floating charge referred to in subsection (4) of section A52 of Part A1 of the Insolvency Act 1986.

5.3 Automatic conversion

The floating charge created by the Chargor under this Debenture will convert automatically into fixed charges:

- (a) if the Security Trustee receives notice of an intention to appoint an administrator of the Chargor;
- (b) if any steps are taken, (including the presentation of a petition, the passing of a resolution or the making of an application) to appoint a liquidator, provisional liquidator, administrator or Receiver in respect of the Chargor over all or any part of its assets, or if such person is appointed;
- (c) if the Chargor creates or attempts to create Security over all or any of the Security Assets, other than Permitted Security;
- (d) on the crystallisation of any other floating charge over the Security Assets;

- (e) if any person seizes, attaches, charges, takes possession of or sells any Security Asset under any form of distress, sequestration, execution or other process, or attempts to do so; and
- (f) in any other circumstances prescribed by law.

6 Representations and warranties

6.1 General

The Security Trustee has entered into this Debenture in reliance on the representations of the Chargor set out in this Clause 6, and, subject to the First Priority Security, the Chargor, warrants to the Security Trustee on the date of this Debenture, as set out in this Clause 6.

6.2 Shares

- 6.2.1 Subject to Article 6.1(i) of the Credit Agreement, as at the date of this Debenture, it is not legal or beneficial owner of any Shares other than the Shares (if any) referred to in Schedule 2 (*Shares*).
- 6.2.2 All of the Shares and, to the extent applicable, all Investments are fully paid.

6.3 Accounts

As at the date of this Debenture, the Chargor does not hold any account with a bank or financial institution other than:

- (a) the Controlled Accounts (if any); and
- (b) the Current Accounts set out in Schedule 6 (*Current Accounts*).

6.4 Insurances

- 6.4.1 It is the legal and beneficial owner of each Insurance to which it is a party.
- 6.4.2 All premiums and other moneys payable in respect of each Insurance have been duly and promptly paid in full.
- 6.4.3 Each Insurance is in full force and effect.
- 6.4.4 It has not has made any false declaration or mis-statement in support of obtaining any Insurance.
- 6.4.5 It has disclosed to the insurers of each Insurance all material facts.

6.5 Repetition

The representations and warranties set out in this Clause 6 shall survive the execution of this Debenture and (other than the representation and warranty in Clause 6.3 (*Accounts*)) are deemed to be repeated by reference to the facts and circumstances then existing on each date on which the representations and warranties made by each Obligor under the Credit Agreement are deemed to be repeated.

7 Positive covenants

The covenants in this Clause 7 remain in force from the date of this Debenture until the expiry of the Security Period.

7.1 Preservation of the Security Assets

The Chargor shall:

- (a) keep all Land, all Equipment and all other tangible assets which form part of the Security Assets in good and substantial repair, fair wear and tear excepted and permit the Security Trustee free access at all reasonable times and on reasonable notice to view their state and condition;
- (b) preserve, maintain and renew as and when necessary all Intellectual Property which forms part of the Security Assets;
- (c) observe and perform all covenants, undertakings, laws and regulations from time to time affecting any Security Asset or the use or enjoyment of it;
- (d) pay all Tax, rents, rates, duties, fees, charges, assessments, impositions, calls, instalments and outgoings which are properly payable at any time during the Security Period in respect of any Security Asset or by the owner or occupier of it (and if it fails to pay that amount when due, the Security Trustee may pay it);
- (e) notify the Security Trustee of any action commenced by a third party to seize, attach, charge, take possession of or sell any Security Asset which (to the best of its knowledge and belief) has been started or threatened; and
- (f) at its own cost, defend any proceedings (including proceedings to seize, attach, charge, take possession of or sell) brought by a third party relating to any Security Asset.

7.2 Land

7.2.1 The Chargor shall promptly notify the Security Trustee in writing if it:

- (a) intends to acquire any estate or interest in Land; or
- (b) acquires any estate or interest in Land.

7.2.2 The Chargor shall remedy any material defect or want of repair in any Land promptly after service by the Security Trustee of notice of the defect or want of repair.

7.2.3 The Chargor shall give immediate notice in writing to the Security Trustee if:

- (a) it receives any notice under section 146 of the Act; or
- (b) any proceedings are commenced against it for the forfeiture of any lease of any Land.

7.2.4 If the Chargor acquires any freehold or leasehold property after the date of this Debenture it shall:

- (a) within ten (10) Business Days of a request by the Security Trustee and at the cost of the Chargor, execute and deliver to the Security Trustee a legal mortgage in favour of the Security Trustee of that property in any form which the Security Trustee may require;
- (b) if the title to that freehold or leasehold property is registered at the Land Registry or required to be so registered, apply to the Land Registry for registration of the Security granted under 7.2.4(a); and
- (c) consent to the registration against the relevant registered title of:
 - (i) a restriction in the following terms:

"No disposition of the registered estate by the proprietor of the registered estate [or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction] is to be registered without a written consent signed by the proprietor for the time being of the charge dated _____ 2022 in favour of Cortland Credit Lending Corporation as security trustee referred to in the charges register or their conveyancer. (Form P)"; and
 - (ii) a notice that the Lenders are under an obligation to make further advances on the terms and subject to the conditions of the Credit Documents.

7.2.5 If the consent of the landlord in whom the reversion of a lease is vested is required for the Chargor to execute a legal mortgage over it, the Chargor shall:

- (a) not be required to perform that obligation unless and until it has obtained the landlord's consent; and
- (b) use its reasonable endeavours to obtain the landlord's consent.

7.2.6 The Chargor shall:

- (a) perform all its obligations under any law or regulation in any way related to or affecting its Land, except to the extent that non-performance of those obligations would not materially adversely affect the value or marketability of any of its Land; and
- (b) must, within five (5) days after receipt by it of any material application, requirement, order or notice served or given by any public or local or any other authority with respect to its Land (or any part of it):
 - (i) deliver a copy to the Security Trustee; and
 - (ii) inform the Security Trustee of the steps taken or proposed to be taken to comply with the relevant requirements.

7.2.7 At any time after the Security created by this Debenture has become enforceable, in respect of any Land acquired after the date of this Debenture, upon the request of the Security Trustee, the Chargor shall grant the Security Trustee or its lawyers on request all facilities within the power of the Chargor to enable the Security Trustee or its lawyers (at the expense of the Chargor) to:

- (a) carry out investigations of title to the Land; and

- (b) make such enquiries in relation to any part of the Land as a prudent mortgagee might carry out.

7.3 Accounts

- 7.3.1 If the Chargor opens or otherwise acquires any Account after the date of this Debenture, it shall notify the Security Trustee immediately.
- 7.3.2 The Chargor shall credit the Controlled Account with all Accounts Receivable, and such Accounts Receivable shall be used to repay the Credit Facility in accordance with the terms of the Credit Agreement.
- 7.3.3 The Chargor shall on the date of this Debenture (or in the case of any Account opened after the date of this Debenture, within seven (7) days of the date on which that Account is opened:
 - (a) in respect of its Controlled Accounts (if any):
 - (i) promptly give notice to the Account Bank in the form set out in Part 1 of Schedule 7 (*Forms of letter to and from Account Bank*); and
 - (ii) promptly deliver to the Security Trustee a copy of that notice;
 - (b) in respect of each of its Current Accounts (if any) for which the Account Bank is not the Security Trustee:
 - (i) promptly give notice to the Account Bank in the form set out in Part 2 of Schedule 7 (*Forms of letter to and from Account Bank*); and
 - (ii) promptly deliver to the Security Trustee a copy of that notice; and
 - (c) use reasonable endeavours to procure that the Account Bank promptly acknowledges that notice in the form set out in Part 3 of Schedule 7 (*Forms of letter to and from Account Bank*), or in any other form agreed by the Security Trustee.
- 7.3.4 The Chargor shall:
 - (a) within fifteen (15) days of the date of this Debenture (or in the case of any Account opened after the date of this Debenture, promptly after the date on which that Account is opened), arrange for the Security Trustee to have view access to each of the Accounts; and
 - (b) until such time as the Security Trustee is provided with view access pursuant to paragraph (a) above, deliver to the Security Trustee a daily account statement for each Controlled Account.
- 7.3.5 Subject to the terms of the Credit Agreement, the Chargor may not receive, withdraw or transfer any credit balance from a Controlled Account.
- 7.3.6 Subject to the terms of the Credit Agreement, the Chargor may receive, withdraw or transfer any credit balance on any Current Account unless the Security Trustee notifies it to the contrary at any time after the Security constituted by this Debenture has become enforceable.

7.3.7 In addition to any rights of the Agent or the Security Trustee under the Credit Agreement, at any time after the Security constituted by this Debenture has become enforceable, the Security Trustee may:

- (a) apply any amount standing to the credit of any Current Account or any amount it receives in respect of any such Account towards any amounts due and payable under the Credit Documents; and
- (b) notify the Account Bank at which any Current Account is held that the Chargor's rights (or any of them) under Clause 7.3.6 cease to apply.

7.4 Shares and Investments

7.4.1 If the Chargor forms or acquires any Subsidiary after the date of this Debenture, it shall notify the Security Trustee immediately.

7.4.2 The Chargor shall:

- (a) in the case of the Shares specified in Schedule 2 (*Shares*), on the date of this Debenture;
- (b) in the case of its Investments as at the date of this Debenture, immediately after entering into this Debenture; and
- (c) in the case of any other Shares and Investments, on such later date on which any Shares or Investments are issued to or otherwise acquired by the Chargor,

deposit with the Security Trustee, in respect of or in connection with its Shares and Investments:

- (i) all stock and share certificates and documents of or evidencing title;
- (ii) signed undated transfers, completed in blank; and
- (iii) any other documents which the Security Trustee may from time to time require for perfecting its title, or the title of any purchaser,

all of which will be held by the Security Trustee at the expense and risk of the Chargor.

7.4.3 The Chargor shall:

- (a) promptly following receipt, forward to the Security Trustee copies of all notices, documents and other communications received in connection with the Shares and Investments;
- (b) promptly copy to the Security Trustee, and comply with, all requests for information which is within its knowledge and which are made under section 793 of the Companies Act 2006 or any similar provision contained in any articles of association or other constitutional document relating to any of its Shares and Investments; and
- (c) comply with all other conditions and obligations assumed by it in respect of any of the Shares and Investments where failure to so comply would adversely affect the interests of the Secured Parties.

7.5 Assigned Agreements and Insurances

7.5.1 The Chargor shall:

- (a) perform all its obligations under the Assigned Agreements and Insurances in a diligent and timely manner
- (b) immediately upon the date of this Debenture, deliver to the Security Trustee an original of each signed but undated notice to be served by the Chargor upon execution of this Debenture under paragraph (c) below;
- (c) within fifteen (15) days of the date of this Debenture, or (as the case may be) within seven (7) days of the date of any Assigned Agreement or Insurance entered into after the date of this Debenture, give notice to the other parties to the Assigned Agreements and Insurances:
 - (i) in the case of Assigned Agreements substantially in the form set out in Schedule 3 (*Form of notice for Assigned Agreements*); and
 - (ii) in the case of Insurances, substantially in the form set out in Schedule 4 (*Form of notice for Insurances*),
 and deliver to the Security Trustee a copy of each notice;
- (d) procure that each party served with a notice under paragraph (c)(i) above countersigns and returns it to the Security Trustee within thirty (30) days of the date of this Debenture; and
- (e) use reasonable endeavours to ensure that each party served with a notice under paragraph (c)(ii) above countersigns and returns it to the Security Trustee within thirty (30) days of the date of this Debenture, or in the case of Assigned Agreements and Insurances entered into after the date of this Debenture, within seven (7) days of the date of the Assigned Agreement or Insurance.

7.5.2 Subject to the terms of the Credit Agreement (including any obligations in it relating to the application of proceeds), until the Security created by this Debenture becomes enforceable, the Chargor may exercise all its rights in respect of the Assigned Agreements and the Insurances (in each case to which it is a party) including receiving and exercising all rights relating to proceeds of those Assigned Agreements and Insurances.

7.6 Accounts Receivable

7.6.1 The Chargor shall:

- (a) perform all its obligations under the Accounts Receivable in a diligent and timely manner;
- (b) promptly after the date of this Debenture, deliver to the Security Trustee five (5) original blank and undated but duly executed notices of assignment substantially in the form set out in Schedule 5 (*Form of notice for Accounts Receivable*).

7.6.2 Subject to the terms of the Credit Agreement (including any obligations in it relating to the application of proceeds), while no Event of Default is continuing, the Chargor may exercise all its rights in respect of the Accounts Receivable (in each case to which it is a party).

- 7.6.3 At any time after the Security constituted by this Debenture has become enforceable, the Security Trustee may, without notice to the Chargor, complete, date and serve on the other party to the relevant Accounts Receivable, any of the notices of assignment referred to in Clause 7.6.1(b).

7.7 Payments without deduction

The Chargor covenants with the Secured Parties that all payments to be made by it under this Debenture shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

8 Negative covenants

The covenants in this Clause 8 remain in force from the date of this Debenture until the expiry of the Security Period.

8.1 Disposals

- 8.1.1 Except as expressly allowed under the Credit Agreement, the First Priority Security or this Debenture, the Chargor shall not enter into a single transaction or a series of transactions (whether related or not), whether voluntary or involuntary and whether at the same time or over a period of time, to sell, lease, transfer, license, loan, nor otherwise dispose of any Security Asset, nor enter into an agreement to make any such disposal.
- 8.1.2 Clause 8.1.1 does not apply to a disposal of any Security Asset which, at the time of that disposal, is subject to the floating charge created by this Debenture and which is:
- (a) made in the ordinary course of the day-to-day trading activities of the Chargor; or
 - (b) of cash, and not otherwise prohibited by the Credit Documents; or
 - (c) on arm's length terms in exchange for other assets comparable or superior as to type, value and quality, where the proceeds of the disposal are used immediately for the purchase of an asset to replace directly the asset the subject of that disposal.

8.2 Negative pledge

- 8.2.1 Except as permitted by the Credit Agreement and the First Priority Security, the Chargor shall not create or permit to subsist any Security over any Security Asset.
- 8.2.2 Except as permitted by the Credit Agreement, the Chargor shall not:
- (a) sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or re-acquired by an Obligor;
 - (b) sell, transfer or otherwise dispose of any of its receivables on recourse terms;
 - (c) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or
 - (d) enter into any other preferential arrangement having a similar effect,

in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.

8.3 Preservation of the Security Assets

Except as permitted by the Credit Agreement and the First Priority Security, the Chargor shall not without the written consent of the Security Trustee:

- (a) enter into any onerous obligation or restriction affecting any Security Asset;
- (b) in relation to any Land forming part of the Security Assets:
 - (i) part with possession of it, confer on any other person any right or licence to occupy it or grant any licence to assign, sub-let or create any Security over it;
 - (ii) exercise any of the powers conferred by sections 99 and 100 of the Act of leasing, letting, entering into agreements for leases or lettings or accepting or agreeing to accept surrenders of leases;
 - (iii) vary, assign or otherwise dispose of or allow to be forfeited any leasehold interest;
 - (iv) agree any rent review;
 - (v) make any structural or material alteration, or do or allow anything to be done which falls within the definition of development in section 55 of the Town and Country Planning Act 1990;
 - (vi) allow any person other than itself to be registered under the Land Registration Act 2002 as proprietor, or create or permit to arise any interest which overrides under the Land Registration Act 2002 (and the Chargor shall reimburse the Security Trustee for its reasonable costs of lodging:
 - (A) a caution against first registration of the title to that Land; or
 - (B) if that Land is unregistered, a land charge); or
 - (vii) make an application, consent to or acquiesce in the application by any third party, to the Land Registry to enter any matter on the register of title;
- (c) in relation to any uncalled capital of the Chargor, call it up or receive it in advance of calls unless the Security Trustee otherwise directs, nor apply it, when paid, otherwise than in payment of the Secured Liabilities or as the Security Trustee otherwise directs; or
- (d) take any Security in connection with its liabilities under this Debenture from any guarantor of, or provider of Security for, any of the Secured Liabilities.

8.4 Assigned Agreements, Accounts Receivable and Insurances

The Chargor shall not, without the prior written consent of the Security Trustee:

- (a) make or agree to make any material amendments to;
- (b) waive any of its material rights under; or
- (c) exercise any right to terminate,

any of the Assigned Agreements, Accounts Receivable or the Insurances.

8.5 Controlled Accounts

The Chargor shall not use any Controlled Account for its general operating expenses.

9 Voting and other rights

9.1 Before demand by the Security Trustee

Until such time as the Security Trustee makes a demand under Clause 9.2 (*After demand by the Security Trustee*), the Chargor may exercise any of its voting and other rights and powers attached to the Shares and Investments but shall not do so in a manner which may:

- (a) have the effect of changing the terms of issue of any of the Shares or Investments (or any class of them) or any of the Distribution Rights relating to them;
- (b) impair the value of any of the Shares or Investments;
- (c) prejudice the security created by this Debenture; or
- (d) otherwise prejudice the interests of the Secured Parties under the Credit Documents.

9.2 After demand by the Security Trustee

After the Security Trustee so demands at any time after the Security created under this Debenture has become enforceable, the Chargor shall:

- (a) promptly pay over to the Security Trustee all moneys arising from the Distribution Rights relating to the Shares and Investments which it may receive; and
- (b) exercise all voting and other rights and powers attached to the Shares and Investments in any manner which the Security Trustee may direct.

9.3 Completion of transfers

At any time after the Security created under this Debenture has become enforceable, the Security Trustee may, without notice to the Chargor:

- (a) complete and date any of the transfers and other documents referred to in paragraphs (ii) and (iii) of Clause 7.4.2; and
- (b) transfer all or any of the Shares or Investments to itself.

10 Enforcement

10.1 When Security becomes enforceable

The Security created by the Chargor under this Debenture shall become enforceable on the occurrence of an Event of Default which is continuing.

10.2 Powers on enforcement

10.2.1 At any time after the Security created by the Chargor under this Debenture has become enforceable the Security Trustee may (without prejudice to any other of its rights and remedies and without notice to the Chargor) do all or any of the following:

- (a) sell or otherwise dispose of the Security Assets, and exercise all the other powers and rights conferred on mortgagees by the Act, as varied and extended by this Debenture, without the restrictions contained in sections 103 or 109(1) of the Act;
- (b) exercise the power of leasing, letting, entering into agreements for leases or lettings or accepting or agreeing to accept surrenders of leases in relation to any Security Asset, without the restrictions imposed by sections 99 and 100 of the Act;
- (c) to the extent that any Security Asset constitutes Financial Collateral, as defined in the Regulations, appropriate it and transfer the title in and to it to the Security Trustee insofar as not already transferred, subject to paragraphs (1) and (2) of Regulation 18;
- (d) subject to Clause 11.1.1 (*Method of appointment and removal*), appoint one or more persons to be a Receiver or Receivers of all or any of the Security Assets; and
- (e) appoint an administrator of the Chargor.

10.2.2 The value of any Financial Collateral appropriated pursuant to paragraph (c) of Clause 10.2.1, shall be:

- (a) in the case of cash, its face value at the time of appropriation; and
- (b) in the case of financial instruments or other Financial Collateral, their market price at the time of appropriation as determined by the Security Trustee (or an agent, Delegate, attorney or Receiver appointed by it) by reference to a public index or by such other process as the Security Trustee (or an agent, Delegate, attorney or Receiver appointed by it) may select, including independent valuation.

In each case, the parties agree that the method of valuation provided for in this Debenture shall constitute a commercially reasonable method of valuation for the purposes of the Regulations.

10.3 Disposal of the Security Assets

In exercising the powers referred to in paragraph (a) of Clause 10.2 (*Powers on enforcement*), the Security Trustee or any Receiver may sell or dispose of all or any of the Security Assets at the times, in the manner and order, on the terms and conditions and for the consideration determined by it.

10.4 Application of moneys

10.4.1 The Security Trustee shall apply any moneys received or recovered by it pursuant to this Debenture in accordance with the Security Trust Deed.

10.4.2 Any Receiver shall apply any moneys received or recovered by it pursuant to this Debenture:

- (a) first, in or towards the pro rata payment of or provision for any sums owing to the Security Trustee, any Receiver or any Delegate; and

(b) secondly, to the Security Trustee for application in accordance with Clause 10.4.1, and section 109(8) of the Act shall not apply.

10.4.3 Clauses 10.4.1 and 10.4.2 will override any appropriation made by the Chargor.

11 Appointment and powers of Receivers

11.1 Method of appointment and removal

11.1.1 The Security Trustee is not entitled to appoint a Receiver solely as a result of the obtaining of a moratorium (or anything done with a view to obtaining a moratorium) under Part A1 of the Insolvency Act 1986 other than in respect of a floating charge referred to in subsection (4) of section A52 of Part A1 of the Insolvency Act 1986.

11.1.2 Every appointment or removal of a Receiver, of any delegate or of any other person by the Security Trustee pursuant to this Debenture may be made in writing under the hand of any officer or manager of the Security Trustee (subject to any requirement for a court order in the removal of an administrative receiver).

11.2 Powers of Receiver

Every Receiver shall have all the powers:

- (a) of the Security Trustee under this Debenture;
- (b) conferred by the Act on mortgagees in possession and on receivers appointed under the Act;
- (c) which are specified in Schedule 1 of the Insolvency Act 1986 in relation to, and to the extent applicable to, the Security Assets or any of them (whether or not the Receiver is an administrative receiver within the meaning of that Act); and
- (d) in relation to any Security Asset, which he would have if he were its only absolute owner.

11.3 Joint or several

If two or more persons are appointed as Receivers of the same assets, they may act jointly and/or severally so that (unless any instrument appointing them specifies to the contrary) each of them may exercise individually all the powers and discretions conferred on Receivers by this Debenture.

11.4 Receiver as agent

Every Receiver shall be the agent of the Chargor which shall be solely responsible for his acts and defaults and for the payment of his remuneration.

11.5 Receiver's remuneration

Every Receiver shall be entitled to remuneration for his services at a rate to be fixed by agreement between him and the Security Trustee, and the maximum rate specified in section 109(6) of the Act shall not apply.

12 Protection of purchasers

No purchaser or other person dealing with the Security Trustee or any Receiver shall be bound or concerned:

- (a) to see or enquire whether the right of the Security Trustee or any Receiver to exercise any of the powers conferred by this Debenture has arisen or not;
- (b) with the propriety of the exercise or purported exercise of those powers; or
- (c) with the application of any moneys paid to the Security Trustee, to any Receiver or to any other person.

13 Protection of the Secured Parties

13.1 Exclusion of liability

None of the Security Trustee, the other Secured Parties or any of their respective officers or employees shall have any responsibility or liability:

- (a) for any action taken, or any failure to take any action, in relation to all or any of the Security Assets;
- (b) to account as mortgagee in possession or for any loss upon realisation of any Security Asset;
- (c) for any loss resulting from any fluctuation in exchange rates in connection with any purchase of currencies under Clause 18 (*Currency*); or
- (d) for the loss or destruction of, or damage to, any of the Security Assets, or to any documents of or evidencing title to them, which are in the possession or held to the order of any such person (and which will be held by such persons at the expense and risk of the Chargor); or
- (e) for any other default or omission in relation to all or any of the Security Assets for which a mortgagee in possession might be liable,

except in the case of gross negligence or wilful misconduct on the part of that person.

13.2 General indemnity

13.2.1 The Chargor shall indemnify the Security Trustee, the other Secured Parties and their respective officers and employees against all actions, proceedings, demands, claims, costs, expenses, and other liabilities incurred by them in respect of all or any of the following:

- (a) any act or omission by any of them in relation to all or any of the Security Assets;
- (b) any payment relating to or in respect of all or any of the Security Assets which becomes payable at any time by any of them;
- (c) any stamp, registration or similar Tax or duty which becomes payable in connection with the entry into, or the performance or enforcement of, this Debenture;

- (d) carrying out or purporting to carry out any of the rights, powers and discretions conferred on them by or permitted under this Debenture; and
- (e) any breach by the Chargor of any of its covenants or other obligations to the Security Trustee or any other Secured Party,

except in the case of gross negligence or wilful misconduct on the part of that person.

13.2.2 The Chargor shall pay interest at the rate set out in section 3.1 (*Interest*) of the Credit Agreement on the sums payable under this Clause from the date on which the liability was incurred to the date of actual payment (both before and after judgment).

13.3 Indemnity out of the Security Assets

The Security Trustee, the other Secured Parties and their respective officers and employees shall be entitled to be indemnified out of the Security Assets in respect of the actions, proceedings, demands, claims, costs, expenses and liabilities referred to in Clause 13.2 (*General indemnity*).

14 Preservation of Security

14.1 Reinstatement

If any payment by the Chargor or discharge given by the Security Trustee (whether in respect of the obligations of any Obligor or any Security for those obligations or otherwise) is avoided or reduced as a result of insolvency, liquidation, administration or any similar event:

- (a) the liabilities of the Chargor and the Security created by the Chargor under this Debenture shall continue as if the payment, discharge, avoidance or reduction had not occurred; and
- (b) the Secured Parties shall be entitled to recover the value or amount of that Security or payment from the Chargor, as if the payment, discharge, avoidance or reduction had not occurred.

14.2 Waiver of defences

Neither the Security created by this Debenture nor the obligations of the Chargor under this Debenture will be affected by an act, omission, matter or thing which, but for this Clause, would reduce, release or prejudice that Security or any of those obligations (whether or not known to the Chargor, the Security Trustee or any other Secured Party) including:

- (a) any time, waiver or consent granted to, or composition with, any Obligor or other person;
- (b) the release of any Obligor or any other person under the terms of any composition or arrangement with any person;
- (c) the taking, variation, compromise, exchange, renewal, enforcement or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or Security over, assets of any Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any Security;

- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor or any other person;
- (e) any amendment (however fundamental), replacement, variation, novation, assignment or the avoidance or termination of a Credit Document or any other document or Security;
- (f) any unenforceability, illegality or invalidity of any obligation of, or any Security created by, any person under any Credit Document or any other document; or
- (g) any insolvency, liquidation, administration or similar procedure.

14.3 Chargor intent

Without prejudice to the generality of Clause 14.2 (*Waiver of defences*), the Chargor expressly confirms that it intends that the Security created by this Debenture shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Credit Documents and/or any facility or amount made available under any of the Credit Documents for the purposes of or in connection with any of the following:

- (a) acquisitions of any nature;
- (b) increasing working capital;
- (c) enabling investor distributions to be made;
- (d) carrying out restructurings;
- (e) refinancing existing facilities;
- (f) refinancing any other indebtedness;
- (g) making facilities available to new borrowers;
- (h) any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and
- (i) any fees, costs and/or expenses associated with any of the foregoing.

14.4 Immediate recourse

The Chargor waives any right it may have of first requiring any Secured Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or Security or claim payment from any person before claiming from the Chargor under this Debenture. This waiver applies irrespective of any law or any provision of a Credit Document to the contrary.

14.5 Appropriations

During the Security Period each Secured Party may:

- (a) refrain from applying or enforcing any moneys, Security or rights held or received by it (or any trustee or agent on its behalf) in respect of the Secured Liabilities, or, subject to Clause 10.4 (*Application of moneys*), apply and enforce the same in such manner

and order as it sees fit (whether against the Secured Liabilities or otherwise) and the Chargor shall not be entitled to the benefit of the same; and

- (b) hold in an interest-bearing suspense account any moneys received from the Chargor or on account of the Secured Liabilities.

14.6 Deferral of Chargor's rights

During the Security Period, and unless the Security Trustee otherwise directs, the Chargor shall not exercise any rights which it may have by reason of performance by it of its obligations under this Debenture or the enforcement of the Security created by this Debenture:

- (a) to receive or claim payment from, or be indemnified by an Obligor;
- (b) to claim any contribution from any guarantor of, or provider of Security in respect of, any Obligor's obligations under the Credit Documents;
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of any Secured Party under any Credit Document or of any guarantee or Security taken pursuant to, or in connection with, the Credit Documents by any Secured Party;
- (d) to exercise any right of set-off against any Obligor; and/or
- (e) to claim or prove as a creditor of any Obligor in competition with any Secured Party.

14.7 Additional Security

This Debenture is in addition to, is not in any way prejudiced by and shall not merge with any contractual right or remedy or other Security now or in the future held by or available to any Secured Party.

14.8 New accounts

If any Secured Party receives notice (actual or otherwise) of any subsequent Security over or affecting all or any of the Security Assets it may open a new account or accounts in the name of each Borrower and, if it does not do so, it shall nevertheless be treated as if it had done so at the time when it received or was deemed to have received notice of that subsequent Security, and as from that time all payments made by or on behalf of a Borrower to that Secured Party:

- (a) shall be credited or be treated as having been credited to the new account of that Borrower; and
- (b) shall not operate to reduce the Secured Liabilities at the time when the Secured Party received or was deemed to have received such notice.

15 Tacking

For the purposes of section 94(1) of the Act and section 49(3) of the Land Registration Act 2002 the Security Trustee confirms on behalf of the Lenders that the Lenders shall make further advances to the Borrowers on the terms and subject to the conditions of the Credit Documents.

16 Further assurance

16.1 Registration at Companies House

The Chargor consents to the registration of the Security created under this Debenture at Companies House pursuant to Part 25 of the Companies Act 2006.

16.2 Further action

The Chargor shall, at its own expense, promptly take any action and sign or execute any further documents which the Security Trustee may require in order to:

- (a) give effect to the requirements of this Debenture;
- (b) protect, preserve and perfect the Security intended to be created by or pursuant to this Debenture;
- (c) protect and preserve the ranking of the Security intended to be created by or pursuant to this Debenture with any other Security over any assets of the Chargor; or
- (d) facilitate the realisation of all or any of the Security Assets or the exercise of any rights, powers and discretions conferred on the Security Trustee, any Receiver or any administrator in connection with all or any of the Security Assets,

and any such document may disapply section 93 of the Act.

16.3 Deposit of documents

The Chargor covenants that, on the date of this Debenture and at all times during the Security Period as soon as it receives them (and in any event as soon as the Security Trustee so requests), it shall deposit with the Security Trustee, in respect of or in connection with the Security Assets:

- (a) all deeds, certificates and other documents of or evidencing title;
- (b) signed undated transfers of the Investments charged under Clause 3.2 (*Investments*), completed in blank; and
- (c) any other documents which the Security Trustee may from time to time require for perfecting its title, or the title of any purchaser.

16.4 Law of Property (Miscellaneous Provisions) Act 1994

The covenant set out in section 2(1)(b) of the Law of Property (Miscellaneous Provisions) Act 1994 shall extend to the provisions set out in this Clause 16.

17 Power of attorney

The Chargor irrevocably and by way of security appoints each of:

- (a) the Security Trustee;
- (b) any delegate or sub-delegate of, or other person nominated in writing by, an officer of the Security Trustee; and

(c) any Receiver,

jointly and severally as the Chargor's attorney, in the Chargor's name, on its behalf and in such manner as the attorney may in its or his absolute discretion think fit at any time after the Security created by this Debenture has become enforceable or following the failure by the Chargor to comply with a request from the Security Trustee, to take any action and sign or execute any further documents which the Chargor is required to take, sign or execute in accordance with this Debenture. The Chargor agrees, promptly on the request of the Security Trustee or any Receiver, to ratify and confirm all such actions taken and documents signed or executed.

18 Currency

18.1 The Spot Rate

In this Clause 18, the **Spot Rate** means, in relation to the Security Trustee or any other Finance Party, the spot rate of exchange of that Finance Party for the purchase of any currency with any other currency in the London foreign exchange market.

18.2 Conversion of moneys received

The Security Trustee or any other Finance Party may convert any moneys received, recovered or realised in any currency under this Debenture (including the proceeds of any previous conversion under this Clause 18) from their existing currency into any other currency, by purchasing that other currency at the Spot Rate.

19 Discharge of Security

Upon the irrevocable and unconditional payment and discharge in full of the Secured Liabilities, unless any third party has any subrogation or other rights in respect of the Security created by this Debenture at that time, the Security Trustee shall, or shall procure that its appointees will, at the request and cost of the Chargor:

- (a) release the Security Assets from this Debenture; and
- (b) re-assign to the Chargor those Security Assets that have been assigned to the Security Trustee under Clause 3 (*Creation of Security*).

Section 93 of the Act shall not apply to this Debenture.

20 Costs and expenses

20.1 Transaction expenses

The Chargor shall promptly on demand pay the Security Trustee the amount of all costs and expenses (including legal fees) reasonably incurred by it in connection with the negotiation, preparation, printing and execution of this Debenture.

20.2 Amendment costs

If the Chargor requests an amendment, waiver, consent or release of or in relation to this Debenture, the Chargor shall, within three Business Days of demand, reimburse the Security Trustee for the amount of all costs and expenses (including legal fees) reasonably incurred by it in responding to, evaluating, negotiating or complying with that request or requirement.

20.3 Enforcement costs

The Chargor shall, within three Business Days of demand, pay to the Security Trustee or any Receiver or Delegate the amount of all costs and expenses (including legal fees) incurred by the Security Trustee or any Receiver or Delegate in connection with the enforcement of, or the preservation of any rights under, this Debenture or the investigation of any possible Default.

21 Notices

21.1 Communications in writing

Any communication to be made under or in connection with this Debenture shall be made in writing and, unless otherwise stated, may be made by fax or letter.

21.2 Addresses

21.2.1 The address (and the department or officer, if any, for whose attention the communication is to be made) of each party for any communication or document to be made or delivered under or in connection with this Debenture is that identified with its name below or any substitute address or department or officer as either party may notify to the other by not less than five Business Days' notice.

21.2.2 The addresses referred to in Clause 21.2.1 are:

(a) **The Chargor:**

Address: its registered address from time to time.

Attention: Adrian Yule

Email: [REDACTED]

(b) **The Security Trustee:**

Cortland Credit Lending Corporation
Royal Bank Plaza, South Tower
200 Bay Street, Suite 3230
Toronto, Ontario M5J 2J2

Attention: Sean Rogister, CEO

Email: [REDACTED]

21.3 Delivery

21.3.1 Any communication or document made or delivered by one person to another under or in connection with this Debenture will only be effective if by way of letter, (i) when it has been left at the relevant address or (ii) two Business Days (or, in the case of airmail, five Business Days) after being deposited in the post postage prepaid (or, as the case may be, airmail postage prepaid), in an envelope addressed to it at that address, and, if a particular department or officer is specified as part of its address details provided under Clause 21.2 (*Addresses*), if addressed to that department or officer.

- 21.3.2 Any communication or document to be made or delivered to the Security Trustee will be effective only when actually received by the Security Trustee and then only if it is expressly marked for the attention of the department or officer identified in Clause 21.2.2 (or any substitute department or officer as the Security Trustee shall specify for this purpose).

21.4 Electronic Communication

- 21.4.1 Any communication to be made between the parties under or in connection with this Debenture may be made by electronic mail or other electronic means (including, without limitation, by way of posting to a secure website) if the parties:
- (a) notify each other in writing of their electronic mail address and/or any other information required to enable the transmission of information by that means; and
 - (b) notify each other of any change to their address or any other such information supplied by them by not less than five Business Days' notice.
- 21.4.2 Any such electronic communication as specified in Clause 21.4.1 to be made between the parties may only be made in that way to the extent that the parties agree that, unless and until notified to the contrary, this is to be an accepted form of communication.
- 21.4.3 Any such electronic communication as specified in Clause 21.4.1 made between the parties will be effective only when actually received (or made available) in readable form.
- 21.4.4 Any electronic communication which becomes effective, in accordance with Clause 21.4.3, after 5:00 p.m. in the place in which the party to whom the relevant communication is sent or made available at its address for the purpose of this Debenture shall be deemed only to become effective on the following day.
- 21.4.5 Any reference in this Debenture to a communication being sent or received shall be construed to include that communication being made available in accordance with this Clause 21.4.

21.5 English language

- 21.5.1 Any notice given under or in connection with this Debenture must be in English.
- 21.5.2 All other documents provided under or in connection with this Debenture must be:
- (a) in English; or
 - (b) if not in English, and if so required by the Security Trustee accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

22 Calculations and certificates

22.1 Accounts

In any litigation or arbitration proceedings arising out of or in connection with this Debenture, the entries made in the accounts maintained by the Security Trustee or any other Secured Party are *prima facie* evidence of the matters to which they relate.

22.2 Certificates and determinations

Any certification or determination by the Security Trustee or any other Secured Party of a rate or amount under this Debenture is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

23 Partial invalidity

If, at any time, any provision of this Debenture is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

24 Remedies and waivers

No failure to exercise, nor any delay in exercising, on the part of the Security Trustee, any right or remedy under this Debenture shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Debenture are cumulative and not exclusive of any rights or remedies provided by law.

25 Amendments and waivers

Any term of this Debenture may be amended or waived only with the written consent of the Chargor and the Security Trustee.

26 Counterparts

This Debenture may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Debenture.

27 Governing law and enforcement

27.1 Governing law

English law governs this Debenture, its interpretation and any non-contractual obligations arising from or connected with it.

27.2 Jurisdiction

27.2.1 The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Debenture (including a dispute regarding the existence, validity or termination of this Debenture) (a **Dispute**).

27.2.2 The parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no party will argue to the contrary.

27.2.3 Notwithstanding Clause 27.2.1, neither the Security Trustee nor any other Secured Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Security Trustee and the other Secured Parties may take concurrent proceedings in any number of jurisdictions.

Executed as a deed and delivered on the date appearing at the beginning of this Debenture.

Schedule 1 – Land charged by way of legal mortgage

Part 1 – Registered Land

None.

Part 2 – Unregistered Land

None.

Schedule 2 - Shares

Name of Chargor	Subsidiary	Number and class of shares	Details of nominees (if any) holding legal title to shares
Barstone Holdings Limited	Prodec Networks Ltd	850 Ordinary shares of £1.00 each	None.
Barstone Holdings Limited	Prodec Networks Ltd	1,300 A Ordinary shares of £1.00 each	None.
Barstone Holdings Limited	Prodec Networks Ltd	273 B Ordinary shares of £1.00 each	None.

Schedule 3 – Form of notice for Assigned Agreements

[On Chargor's notepaper.]

To: ** *[insert name and address of counterparty]*

Attention: **

Date: **

Dear Sirs

Notice of assignment

- 1 We refer to the ** *[specify the relevant Assigned Agreement]* dated **
between us and you (the **Agreement**)
- 2 We notify you that:
 - (a) under a debenture dated ** between us and Cortland Credit Lending Corporation (the **Security Trustee**) we have assigned to the Security Trustee for the benefit of itself and certain other lenders (together with the Security Trustee, the **Secured Parties**) all our right, title and interest in and to, and all benefits accruing under, the Agreement as security for certain obligations owed to the Secured Parties;
 - (b) we may not agree to amend (except for non-material amendments) or terminate the Agreement without the prior written consent of the Security Trustee;
 - (c) until you receive written notice to the contrary from the Security Trustee, you may continue to deal with us in relation to the Agreement and credit all moneys to which we are entitled under the Agreement to the following account in our name: **
[insert details of account]. After receipt of such written notice from the Security Trustee we will cease to have any right to deal with you in relation to the Agreement and from that time you should deal only with the Security Trustee; and
 - (d) you are authorised to disclose information relating to the Agreement to the Security Trustee on request.
- 3 We request that you:
 - (a) after receipt of such written notice in accordance with paragraph 2(c), ensure that all moneys to which we are entitled under the Agreement are credited to the account of the Security Trustee specified in that notice (and are not paid to us);
 - (b) give the Security Trustee written notice of any breach of the Agreement as soon as you become aware of it; and
 - (c) give the Security Trustee not less than 30 days' written notice of your
[terminating/giving notice to terminate] the Agreement.
- 4 Please sign and return the enclosed copy of this notice to the Security Trustee (with a copy to us) to confirm that you:

- (a) agree to the terms of this notice and to act in accordance with its provisions;
- (b) have not received notice that we have assigned our rights under the Agreement to a third party or created any other interest (whether by way of security or otherwise) in the Agreement in favour of a third party; and
- (c) have not claimed or exercised, nor do you have any outstanding right to claim or exercise against us, any right of set-off, counter-claim or other right relating to the Agreement.

5 The provisions of this notice are governed by English law.

Yours faithfully

.....

for and on behalf of

Barstone Holdings Limited

Copy to: Security Trustee

[On acknowledgement copy]

To: **Cortland Credit Lending Corporation**

Copy to: **Barstone Holdings Limited**

We acknowledge receipt of the above notice and confirm the matters set out in paragraph 4.

.....

for and on behalf of

[insert name of counterparty]

Date: **

Schedule 4 – Form of notice for Insurances

[On Chargor's notepaper.]

To: ** *[insert name and address of insurance company]*

Attention: **

Date: **

Dear Sirs

Notice of assignment

1 We refer to the ** *[specify the relevant insurance policy]* with policy number **
and issue date ** issued by you in favour of us (the **Policy**).

2 We notify you that:

(a) under a debenture dated _____ 2022 between us and Cortland Credit Lending Corporation (the **Security Trustee**) we have assigned to the Security Trustee for the benefit of itself and certain other lenders (together with the Security Trustee, the **Secured Parties**) all our right, title and interest in and to, and all benefits accruing under, the Policy as security for certain obligations owed to the Secured Parties;

(b) we may not agree to amend (except for non-material amendments) or terminate the Policy without the prior written consent of the Security Trustee;

(c) until you receive written notice to the contrary from the Security Trustee, you may continue to deal with us in relation to the Policy and credit all moneys to which we are entitled under the Policy to the following account in our name:

** *[insert details of account]*.

After receipt of such written notice from the Security Trustee we will cease to have any right to deal with you in relation to the Policy and from that time you should deal only with the Security Trustee; and

(d) you are authorised to disclose information relating to the Policy to the Security Trustee on request.

3 We request that you:

(a) after receipt of such written notice in accordance with paragraph 2(c), ensure that all moneys to which we are entitled under the Policy are credited to the account of the Security Trustee specified in that notice (and are not paid to us);

(b) note on the Policy the Security Trustee's security interest under the Debenture; and

(c) give the Security Trustee not less than 30 day's written notice of your
[terminating/giving notice to terminate] the Policy or allowing the Policy to lapse.

- 4 Please sign and return the enclosed copy of this notice to the Security Trustee (with a copy to us) to confirm that you:
- (a) agree to the terms of this notice and to act in accordance with its provisions;
 - (b) have not received notice that we have assigned our rights under the Policy to a third party or created any other interest (whether by way of security or otherwise) in the Policy in favour of a third party; and
 - (c) have not claimed or exercised, nor do you have any outstanding right to claim or exercise against us, any right of set-off, counter-claim or other right relating to the Policy.
- 5 The provisions of this notice are governed by English law.

Yours faithfully

.....

for and on behalf of

Barstone Holdings Limited

Copy to: Security Trustee

[On acknowledgement copy]

To: **Cortland Credit Lending Corporation**

Copy to: **Barstone Holdings Limited**

We acknowledge receipt of the above notice and confirm the matters set out in paragraph 4.

.....

for and on behalf of

[insert name of insurance company]

Date: **

Schedule 5 – Form of notice for Accounts Receivable

[On Chargor's notepaper.]

To: ** *[insert name and address of counterparty]*

Attention: **

Date: **

Dear Sirs

Notice of assignment

1 We refer to the _____ ,
dated _____ between us and you (the **Agreement**).

2 We notify you that:

- (a) under a debenture dated _____ 2022 (the **Debenture**) between us and Cortland Credit Lending Corporation (the **Security Trustee**) we have assigned to the Security Trustee for the benefit of itself and certain other lenders (together with the Security Trustee, the **Secured Parties**) all our right, title and interest in and to, and all benefits accruing under, the Agreement as security for certain obligations owed to the Secured Parties; and
- (b) pursuant to the terms of the Debenture, we have ceased to have any right to deal with you in relation to the Agreement, and from this time you should deal only with the Security Trustee;
- (c) we may not agree to amend (except for non-material amendments) or terminate the Agreement without the prior written consent of the Security Trustee; and
- (d) you are authorised to disclose information relating to the Agreement to the Security Trustee on request.

3 We request that you ensure that all moneys to which we are entitled under the Agreement are credited to the following account of the Security Trustee (and are not paid to us):

Account name:

Account number:

Sort Code:

Account Reference:

IBAN:

- 4 Please sign and return the enclosed copy of this notice to the Security Trustee (with a copy to us) to confirm that you:
- (a) agree to the terms of this notice and to act in accordance with its provisions;
 - (b) have not received notice that we have assigned our rights under the Agreement to a third party or created any other interest (whether by way of security or otherwise) in the Agreement in favour of a third party; and
 - (c) have not claimed or exercised, nor do you have any outstanding right to claim or exercise against us, any right of set-off, counter-claim or other right relating to the Agreement.

5 The provisions of this notice are governed by English law.

Yours faithfully

.....

for and on behalf of

Barstone Holdings Limited

Copy to: Security Trustee

[On acknowledgement copy]

To: Cortland Credit Lending Corporation

Copy to: Barstone Holdings Limited

We acknowledge receipt of the above notice and confirm the matters set out in paragraph 4.

.....

for and on behalf of

Date:

Schedule 6 – Current Accounts

Name of Chargor	Account Bank	Account Bank Address	Sort Code	Account number	BIC Code
Barstone Holdings Limited	N/A	N/A	N/A	N/A	N/A

Schedule 7 - Forms of letter to and from Account Bank

Part 1 – Notice to Account Bank regarding the Controlled Account(s)

[On relevant Chargor's notepaper.]

To: ** [insert name and address of Account Bank]

Date: **

Dear Sirs

Debenture dated [] between Barstone Holdings Limited and Cortland Credit Lending Corporation (the Debenture)**

We refer to the account which we hold with you numbered **, sort code **, as it may from time to time be re-designated or re-numbered (the **Controlled Account**).

We are writing to give you notice of certain rights in respect of the Controlled Account that we have granted to Cortland Credit Lending Corporation in its capacities (as applicable) as agent and security trustee for certain lenders (the **Security Trustee**).

Under the Debenture we have assigned absolutely to the Security Trustee all amounts standing to the credit of the Controlled Account from time to time (the **Deposit**) and all of our right, title and interest in, and relating to, the Controlled Account.

Regardless of any previous authorisations or instructions which we may have given you and without making any enquiry as to the justification for the matter, we irrevocably authorise and instruct you:

- (a) to disclose to the Security Trustee any information relating to us, the Controlled Account and the Deposit which the Security Trustee may from time to time request you to disclose to it;
- (b) to hold the Deposit to the order of the Security Trustee, and not permit the whole or any part of the Deposit to be withdrawn by us without the prior written consent of the Security Trustee;
- (c) to pay or release all or any part of the Deposit, and generally to act in relation to the Deposit, only in accordance with the written instructions of the Security Trustee;
- (d) to comply with the terms of any written notice or instructions in any way relating to or purporting to relate to the Controlled Account or the Deposit which you may receive from the Security Trustee; and
- (e) not, without the prior written consent of the Security Trustee, to renew or roll over the Deposit for a fixed period exceeding three months.

The instructions and authorisations contained in this letter may not be revoked or varied without the written agreement of the Security Trustee.

This letter is governed by English law.

Please confirm your agreement to the above by sending an acknowledgement to the Security Trustee in the form attached, with a copy to ourselves.

Yours faithfully,

.....

for and on behalf of **Barstone Holdings Limited**

copy: **Cortland Credit Lending Corporation**

Part 2 – Notice to Account Bank regarding the Current Accounts

[On relevant Chargor's notepaper.]

To: ** *[insert name and address of Account Bank]*

Date: **

Dear Sirs

Debenture dated [] between Barstone Holdings Limited and Cortland Credit Lending Corporation (the Debenture)**

- 1 We refer to the follows accounts we hold with you, as they may from time to time be re-designated or re-numbered:

[insert Account Number/Sort Code for each Current Account held by the relevant Chargor];

(the **Current Accounts**).

- 2 We are writing to give you notice of certain rights in respect of the Current Accounts that we have granted to Cortland Credit Lending Corporation in its capacities (as applicable) as agent and security trustee for certain lenders (the **Security Trustee**).
- 3 Under the Debenture we have charged by way of floating charge to the Security Trustee all amounts standing to the credit of each Current Account from time to time (each a **Deposit** and together the **Deposits**) and all of our right, title and interest in, and relating to, each Current Account.
- 4 We notify you that:
- (a) after you have received notice from the Security Trustee under paragraph 6 below, we may not withdraw any moneys from any Current Account without first obtaining the prior written consent of the Security Trustee;
 - (b) there is a prohibition in the Debenture on the creation of any further security interest over any Current Account; and
 - (c) you are authorised to disclose information relating to the Current Accounts to the Security Trustee on the request of the Security Trustee.
- 5 After you have received notice from the Security Trustee under paragraph 6 below, we irrevocably authorise and instruct you to:
- (a) hold all moneys from time to time standing to the credit of each Current Account to the order of the Security Trustee; and
 - (b) pay all or any part of those moneys to the Security Trustee (or as it may direct) promptly following receipt of written instructions from the Security Trustee to that effect.

- 6 By counter-signing this notice the Security Trustee confirms that you may accept instructions from us to make withdrawals from each Current Account (without prejudice to any restrictions on our right to make such withdrawals under the Credit Agreement referred to in the Debenture) until such time as the Security Trustee shall notify you (with a copy to us) in writing that its permission is withdrawn.
- 7 We acknowledge that you may comply with the instructions in this letter without any further permission from us.
- 8 The instructions in this letter may not be revoked or amended without the prior written consent of the Security Trustee.
- 9 This letter is governed by English law.
- 10 Please confirm your agreement to the above by sending an acknowledgement to the Security Trustee in the form attached, with a copy to ourselves.

Yours faithfully,

.....

Barstone Holdings Limited

.....

Cortland Credit Lending Corporation

Part 3 – Form of acknowledgements from Account bank

[On Account Bank's notepaper]

To: Cortland Credit Lending Corporation

Attention: Sean Rogister

Date: **

Dear Sirs

Debenture dated [] between Barstone Holdings Limited and Cortland Credit Lending Corporation (the Debenture)**

We acknowledge receipt of a notice (the **Notice**) from Barstone Holdings Limited (the **Chargor**) dated ** of the security granted by the Chargor to the Security Trustee over the [Controlled Account][Current Accounts] under the Debenture.

Words defined in the Notice have the same meaning in this letter.

We confirm that:

- (a) we acknowledge receipt of the Notice and accept the authorisations and instructions contained in the Notice and we undertake to comply with its terms;
- (b) we have not received notice of:
 - (i) any other assignment of or encumbrance over [the Controlled Account][the Holding Account][any Current Accounts] or [the][any] Deposit; or
 - (ii) any interest, claim or right in or to them by any third party,

and we shall but without incurring any liability in respect of the obligation promptly give you notice of any such actual, potential or asserted assignment, encumbrance, interest, claim or right of which we become aware; and

- (c) we do not, and will not, hold or otherwise have the benefit of any security interest or other encumbrance over [the Controlled Account][any Current Accounts] or [the][any] Deposit[other than in our capacity as Security Trustee for the Secured Parties referred to in the Debenture; and
- (d) we will not exercise any right of combination, consolidation, merger or set-off which we may have in respect of [the Controlled Account][the Current Accounts].

We are aware that you are relying on this letter in connection with your rights under the Debenture.

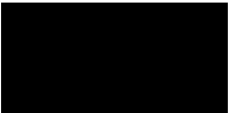
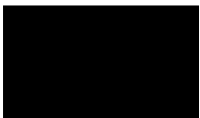
This letter is governed by English law.

Yours faithfully,

.....
for and on behalf of ** [Account Bank]

copy: **Barstone Holdings Limited**

EXECUTION PAGE

Executed as a deed by)	Alexander Wit	Adrian Yule
Barstone Holdings Limited)		
acting by two Directors or)		
one Director and its Secretary)		
		Director	
		Director/Secretary	

		Sean Rogister
Signed for and on behalf of)	
Cortland Credit Lending Corporation)	